by the preparation of a careful program and strict and rigid adherence to it by all the departments of the government. A budget is valuable only if, and when, expenditures are kept within it. Together we will make a stubborn stand against the unwholesome practice of allowing deficits to creep into our balance sheets.

The present sound and satisfactory state of governmental finances, with budgets balanced and substantial reserves at hand, is clear indication that an honest effort has been made to practice what we have preached.

POLITICAL PROGRESS

With the development we have been tracing in the fields of economics and finance, communication and education, science and hygiene, political development has kept pace. The Philippine public gradually attained an understanding of the theory and processes of popular government, and acquired experience in its practice. This was according to the plans conceived and formulated by the first American administrators. Small beginnings had been made in Spanish times, with a limited right of suffrage and the privilege of electing municipal and barrio officials. Municipalities became autonomous in 1901. Provincial boards came under popular control in 1905. Two years later the first national legislative assembly was inaugurated. Filipinos were taking rapidly to the ways and methods of American democracy.

The next step was the Jones Act in 1916, under which we have operated until today. Within the short space of sixteen years, the Filipino people had qualified themselves to the satisfaction of the American Congress for exclusive control of the legislative branch of their government. In large measure they had justified the great American faith in the inherent capacity of people to govern themselves, given equal advantages of education and training. The administration of justice also was gradually placed in the hands of the Filipinos. Although the executive branch until now has been under American direction and control, actual administration during recent years has been largely in Philippine hands. The recent extension of equal suffrage to women was a notable contribution by the Philippine

Legislature to democratic progress.

In this steady advance in the art of democratic and constitutional government, toward the ultimate goal of complete independence, the crowning event has been the framing and adoption by the Philippine